

RHODE ISLAND INFRASTRUCTURE BANK
MEETING OF THE BOARD OF DIRECTORS
PUBLIC SESSION

May 16, 2016

A meeting of the Board of Directors of the Rhode Island Infrastructure Bank (“RIIB”) in public session was held on Monday, May 16, 2016 in the conference room of the RIIB, 235 Promenade Street, Suite 119, Providence, Rhode Island pursuant to a duly posted public notice of the meeting and notice given to all Directors. The meeting was called to order by the Chair of the Board, Merrill Sherman at approximately 3:00 p.m.

Directors present were: Chair Merrill Sherman, Kelly Rogers representing Treasurer Seth Magaziner, Lisa Ferrara, Scott Lajoie and Joshua Celeste.

Directors absent were: none.

Also present were Jeffrey Diehl, Executive Director; Michael P. Larocque, Deputy Director; Michael Baer, Senior Advisor; Ryan Mulcahey, Program Analyst; Michael Pagliaro, Senior Accountant; Anna Coelho Cortes, Drinking Water SRF Program Manager; Marcelina Jackson, Administrative Assistant; Christopher Vitale and Stephanie Federico, Harrington & Vitale, RIIB Legal Counsel; Neal Pandozzi, Nixon Peabody, RIIB Bond Counsel; and Maureen Gurghigian and Adam Krea, First Southwest Company, RIIB Financial Advisors.

Chair Sherman opened the meeting declaring a quorum. The Chair addressed the first item on the Agenda: Review and consideration of the April 18, 2016 and May 3, 2016 Board Meeting Minutes.

Voted: A motion was made by Joshua Celeste, seconded by Kelly Rogers that the meeting minutes from the April 18, 2016 and May 3, 2016 Board meetings be approved.

- Voting in favor of the foregoing: Chair Merrill Sherman, Kelly Rogers, Lisa Ferrara, Scott Lajoie and Joshua Celeste.
- Voting against the foregoing: None

The Chair moved to **Item #2** of the Agenda: Board Chair remarks.

Chair Sherman deferred to the Executive Director for his report and remarks.

No vote was necessary for this agenda item.

The Chair moved to **Item #3** of the Agenda: Executive Director’s report.

Jeffrey Diehl, Executive Director updated the Board on Clean Water SRF transactions (the refunding and new money transaction), Commercial PACE, the Efficient Buildings Fund and the status of the Brownfields grant application with EPA. Mr. Diehl also discussed the Bank's plans to engage Rhode Island communities and utilities on a proactive basis and briefed the Board on the positive annual review the Bank underwent with the EPA last week.

Mr. Diehl also discussed the Bank's progress with its technology efforts including preparing to sign a website agreement this week and current negotiations for the loan management programs. The Director also discussed the new auditor that will be working with the Bank and explained that moving forward the Bank will also be focusing on the issues of security and cyber security including improving technology and developing more procedures to protect the Bank.

Finally, Mr. Diehl indicated to the Board that he is preparing a strategic plan for the Bank to be submitted to the Board which will include cross training for staff, enhancing coordination with other state departments, and developing a more robust communications and media plan.

No vote was necessary for this agenda item.

The Chair moved to **Item #4** of the Agenda: Review and consideration of the Rhode Island Infrastructure Bank's February, 2016 Financial Statements.

Michael Larocque reviewed the Revenue and Expense Report for the RI Infrastructure Bank for the eight months ended February 29, 2016, the Balance Sheet for the Bank as of February 29, 2016 as well as Liabilities and Fund Balances.

Voted: A motion was made by Kelly Rogers, seconded Lisa Ferrara by that the February 2016 Financial Statements be accepted.

- Voting in favor of the foregoing: Chair Merrill Sherman, Kelly Rogers, Lisa Ferrara, Scott Lajoie and Joshua Celeste.
- Voting against the foregoing: None

The Chair moved to **Item #5** of the Agenda: Review and consideration of a loan to the Town of Jamestown in an amount up to \$300,000 out of the Community Septic System Loan Program.

Lisa Ferrara recused herself from this matter.

Executive Director Diehl recommended the Bank's Board of Directors accept the loan application from the Town of Jamestown in an amount up to \$300,000 out of the Community Septic System Loan Program (CSSLP) with the following caveats:

- That all projects to be funded appear on Department of Environmental Management's (DEM's) Project Priority List and have Certificates of Approval issued;
- That the borrower comply with all Federal, State, and Agency laws, rules and regulations;
- That a satisfactory loan agreement be signed by all parties to the transaction;

- That the loan will be made subject to availability of funds.

Adam Krea of First Southwest reviewed details of Jamestown's financial condition. The Town of Portsmouth is requesting a non-restoring line of credit in the amount of \$300,000. This line of credit would be used for the development and operation of a CSSLP and allow Jamestown to make loans available to real property owners for the repair or replacement of failed septic systems or cesspools. The borrowing cost for the homeowner will be 1% for a term up to ten years. The Town of Jamestown is rated "Aa1" by Moody's Investors Service. This rating reflects an affluent residential tax base, multi-year positive operating results, and a manageable debt burden and pension liabilities.

First Southwest recommended approval of the loan application subject to completion of all legal requirements by the Town and with the understanding that the Bank will review the request in connection with the DEM Project Priority List, CSSLP capacity and the funding requirements of other Bank borrowers.

Voted: A motion was made by Scott Lajoie, seconded by Joshua Celeste that the loan to the Town of Jamestown in an amount up to \$300,000 out of the Community Septic System Loan Program be approved.

- Voting in favor of the foregoing: Chair Merrill Sherman, Kelly Rogers, Scott Lajoie and Joshua Celeste.
- Voting against the foregoing: None
- Abstained from Vote: Lisa Ferrara

The Chair moved to **Item #6** of the Agenda: Presentation from New Harbor Group.

Mr. Diehl began by noting that the communications efforts and program serve two purposes: first, given the Bank's new programs, many of which are consumer facing for the first time, it is important we get the message out to the Bank's customers. Second, given the level of cynicism about government generally, it creates a better civic and business climate.

David Preston provided a presentation to the Board regarding a communications plan for the Bank. Mr. Preston discussed creating a climate for success and growth and emphasized the importance of this in the public sector.

Mr. Preston discussed that New Harbor Group will be working with Mr. Diehl and the Bank to create a core message for the Bank, develop critical content, determine the appropriate audience and deliver the developed message to an identified distribution network.

Mr. Preston reviewed some of the press that New Harbor has helped the Bank coordinate to date, discussed potential target audiences, goals in distributing stories on behalf of the Bank, and the

effectiveness of telling the Bank's success stories through the website, e-newsletters and social media.

Mr. Preston also discussed New Harbor's efforts to date on behalf of the Bank that include cultivating content through media coverage (press releases), handling media inquiries and providing content on social media. He noted that he is in the process of helping the Bank to establish a "core message," develop a calendar of upcoming media opportunities and is prepared to assist with the new website.

No vote was necessary for this agenda item.

The Chair moved to **Item #7** of the Agenda: Legislative update.

Chris Vitale provided a brief legislative update to the Board. First he addressed the FY '17 Budget, including the proposed "scoop" to the Bank's budget. Mr. Vitale noted that the budget may be presented to the House Finance Committee either next week or the following week. At that time there will be more information as to whether or not the state plans to move ahead with the \$8 million scoop from the Bank.

Mr. Vitale also discussed the Public Finance Management Board ("PFMB") legislation that was previously introduced by Treasurer Magaziner. Mr. Vitale indicated that most of the Treasurer's goals have been incorporated in an amended budget article by the Governor which outlines new responsibilities for the PFMB, clarifies reporting requirements, institutes fines for late filings with the PFMB, requires annual reporting on outstanding debt, identifying the amount of bond proceeds that are undrawn, and amounts that have been authorized but not issued by public agencies and departments throughout the state. Mr. Vitale noted that the Budget Article is scheduled to be heard this week by both the House and Senate Finance Committees.

No vote was necessary for this agenda item.

The Chair moved to **Item #8** of the agenda: Expenses.

Michael Larocque reviewed RIIB's expenses with the Board.

Voted: A motion was made by Scott Lajoie, seconded by Lisa Ferrara to approve expense as presented to the Board.

- Voting in favor of the foregoing: Chair Merrill Sherman, Kelly Rogers, Lisa Ferrara, Scott Lajoie and Joshua Celeste.
- Voting against the foregoing: None

The Chair moved to **Item #9** of the Agenda: Next regularly scheduled meeting date, June 20, 2016.

Chair Sherman noted that due to a scheduling conflict she requested an accommodation on either the date or time of the next meeting. After a brief discussion the Board tentatively set the next meeting to Tuesday, June 21 at 4:00 p.m.

No vote was necessary for this Agenda Item.

Voted: A motion was made by Lisa Ferrara, seconded by Scott Lajoie to adjourn the meeting.

- Voting in favor of the foregoing: Chair Merrill Sherman, Kelly Rogers, Lisa Ferrara, Scott Lajoie and Joshua Celeste.
- Voting against the foregoing: None.

The meeting adjourned at approximately 3:55p.m.